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Parliament approves amendments to investment law

The House of Representatives approved on Sunday the amendments submitted by the Government to some provisions of the Investment Law promulgated by Law No. 72 of 2017. Dr. Ali Abdel-Al, Speaker of the House of Representatives, stressed the importance of amendments to the investment law in attracting more investments to Egypt in light of global competition in the field of investment..

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Our Views

- In the beginning, it should be emphasized that adapting and stimulating the investment climate is the basis for attracting both domestic and foreign investment. This stimulation, however, is not a function of the existence of an investment law. Some countries do not have an investment law, for example Germany.
- The idea of investment law originated in Egypt as a fast track to stimulate investment since the 1970s, but developed until the law became an end in itself, which is a

fundamental institutional problem. Also, the amendment of the law repeatedly leads to increased uncertainty and shaken investor confidence in the country even if this amendment is positive.

- **Therefore, the investment law and its incentives should not be viewed as a radical solution to increase investments. A surge in investment rates will remain conditional on the Government's ability to deal with the real challenges that impede investment in Egypt.** This is evidenced by some reports that monitor the poor performance of the private sector and the modest volume of domestic and foreign investment in Egypt, despite the difficult reforms that have been made and the multiple incentives provided.
- **A revisit of the developments that hinder the business and investment environment has become an urgent necessity**, especially in view of the slowdown of the global economy and the decline in investment rates in addition to the regional developments that put Egypt in fierce competition with other countries on a limited share of investments.
- The following are some questions that concern the investor and the answer to them reflects to what extent the business environment is favorable:
 1. Is the country heading towards administrative reform as a means of institutional reform, through which integration of policies, streamlining of procedures, and reducing corruption and bureaucracy can be achieved?-
 2. To what extent has land been provided for various investment activities and the system simplified in terms of procedures and costs and transparency achieved in allocation and pricing?
 3. Does the education and training system in Egypt provide qualified human cadres, considered one of the main production factors for any investment activity?
 4. What progress has been made in removing the obstacles related to the tax and customs system in Egypt?
 5. what extent is law enforcement applied to everyone and the speed of dispute resolution?-

- Are there executive mechanisms that ensure the provision of various incentives, including the one-window system, facilitating licenses, preference for local product, etc. ...?
 - 1. To what extent is there equal competition between all actors, whether the private sector, public business sector or government sector in terms of available opportunities, information, and procedures, etc. ...?
 - 2. To what extent is the private sector involved in the economic policies adopted by the government?
 - Finally, it is essential to emphasize the importance of studying the various effects associated with any new legislation or legislative amendment before it is adopted, especially in the case of pivotal legislations such as the Investment Law. There is also a need for all stakeholders to participate in any amendment or new legislation. Finally, it is important to identify the other complementary procedures (procedural, institutional, etc.) until the new legislation or legislative amendment achieves its purpose.
 - **Worthy** _____ **of** _____ **Note:**
Egypt is ranked 120th out of 190 countries in the World Bank's Ease of Doing Business Index of 2019 and 94th out of 140 countries in the World Economic Forum's Global Competitiveness Index 2018. This is a low ranking, especially compared to comparator countries including Turkey, South Africa and Tunisia.
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